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SIPDIS

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TAGS: PGOV PREL PTER EPET BL IR LY

SUBJECT: EVO'S DEEPENS PUBLIC RELATIONSHIP WITH LIBYA, IRAN

REF: LA PAZ 1352

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d)

**¶11. (C) Summary:** Iranian Presidential advisor Mojtaba Samare Hashemi came to La Paz August 13 to congratulate Bolivian President Evo Morales on his recall referendum victory and to advance \$1.1 billion in promised Iranian investment and assistance to Bolivia. Also on August 13, Bolivia and Libya agreed to establish diplomatic relations. Foreign Minister Choquehuanca announced that the new relationship would allow Bolivia to take advantage of Libyan technological advances in the field of hydrocarbons. An MFA insider tells us Evo plans a late August tour of Iran, Libya, and Qatar to attract foreign investment, particularly in the hydrocarbon sector. He said the trips were originally planned in the wake of May 1 nationalization agreements and that the government was surprised about the degree to which the announcements were scaring away investment from Western countries. End Summary.

Bolivia Gets Hand Out from Iran ...

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**¶12. (U)** An Iranian presidential delegation, which arrived in Bolivia August 13, congratulated Bolivian President Evo Morales on his electoral victory in the August 10 recall referendum. The Iranian delegation also offered help in all aspects of the natural gas industry. Iranian Presidential Advisor Mojtaba Samare Hashemi said that bilateral cooperation needs to be established so the two countries do not have to follow political direction or depend on third nations like the United States. "The ties with Evo Morales are advancing," said Hashemi. The announcement comes following President Morales' declaration that Bolivia will ask "friendly nations" to participate in the gas industry because some private companies are not making the necessary investments.

... Hand Shake from Libya

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**¶13. (U)** Bolivian Foreign Minister David Choquehuanca and Mohammed Matri, Director of American Affairs for the Libyan Foreign Ministry, signed a memorandum of understanding establishing diplomatic relations in La Paz August 13. Choquehuanca announced that the new relationship would allow Bolivia to take advantage of Libyan technological advances in the field of hydrocarbons. Matri said a working group would

be established to work on an agreement to help Bolivia exploit its natural resources and promised part of Libya's \$80 million Latin American development fund to Bolivia's agriculture and ranching sectors.

¶4. (U) The opposition and media pundits immediately criticized the new relationship. "The government of Evo Morales has dangerous friendships. First with (Venezuelan President Hugo) Chavez ... and now with Iran and Libya," said opposition Senator Roger Pinto (Podemos).

Evo and Khaddafi: Friends From Way Back

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¶5. (U) Morales received the 2000 Khaddafi prize "in recognition of his trade union and political struggle for the liberation of the Bolivian people and emancipation" and his "bold methods against domination and exploitation exercised by capitalist regimes, notably the United States of America." Morales traveled to Libya to publicly receive the prize (and \$250,000) from Khaddafi amidst great fanfare and crowds with pro-Morales banners.

Evo's Looking for Love in All the Wrong Places Tour

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¶6. (C) Bolivian President Evo Morales signaled publicly last week that he planned to visit Iran "very soon." An MFA insider told us in June that Morales plans on visiting Iran, Libya, and Qatar in late August to find alternatives to shrinking private foreign investment in Bolivia's hydrocarbon sector. Morales had canceled plans to travel to Italy, Libya, and Qatar in June in order to campaign for the August 10 recall referendum. According to the MFA contact, Morales' Iranian stop will be a public opportunity to thank Iran for its investment and aid agreements and for both countries to antagonize and berate the United States. "He (Morales) will be talking about independent countries banding together against the empire." Privately, he said Morales wants to push the Iranians for tangible progress on their 2007 promise to spend \$1.1 billion on Bolivian investment and assistance (reftel).

¶7. (C) The MFA contact claimed stops in Qatar and Libya are to shore up technical support and investment in Bolivia's hydrocarbon sector. "They understand the need for foreign investment and are looking for alternatives (in the case of Qatar and Libya)." He said the government directed May 1 nationalization announcements to a domestic audience, but now the government "realizes foreign investors are panicked (by the nationalizations) and they are trying to control the damage." The contact said the government believes the Libya trip should raise no eyebrows along the lines of Bolivia's nascent relationship with Iran since "the West has accepted Libya now," referring to re-establishment of U.S.-Libyan relations in 2006.

MFA Contact: Ambassador Exchanges Unlikely Before 2009

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¶8. (C) The MFA contact said any formal exchange of Ambassadors to Iran or Libya was unlikely in 2008, both for logistical/organizational reasons as well as because South Africa and India are the next in line and skipping them would be a significant slight. In the meantime, however, he said the Iranian Commercial Service building in La Paz acts "more or less just like an Embassy" and the financial impediment of buying property for a Bolivian Embassy in Tehran has been solved by a donation from Iran.

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